

AMENDED IN SENATE APRIL 23, 2007

SENATE BILL

No. 133

Introduced by Senator Aanestad
(Coauthors: Senators Cogdill, Cox, and Wiggins)
(Coauthor: Assembly Member Berg)

January 24, 2007

An act to add and repeal Section 29485 of the Government Code, relating to federal forest reserve funds, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

SB 133, as amended, Aanestad. Federal forest reserve funds: short-term loans.

Existing federal law requires 25% of all moneys received during any fiscal year from each national forest to be paid, at the end of the year, by the Secretary of the Treasury to the state or territory in which that national forest is situated, to be expended as prescribed by the legislature of a state or territory for the benefit of the public schools and public roads of the county or counties in which that national forest is situated. ~~The~~ *Under existing state law, the* Controller is required to keep a record of the money received from the United States on account of each forest reserve in California. The Controller also is required, on or before June 30 of each year, to draw a warrant in favor of the treasurer of each county entitled to payment of the forest reserve funds, and the Treasurer is required to pay the warrants.

Existing law requires the auditor of any county receiving a payment of money from the forest reserve funds to immediately apportion the money by placing 50% to the credit of the forest reserve account in the county school service fund of the county, and 50% to the credit of the

road fund. The county superintendent of schools, with the approval of the county board of education, then is permitted to allocate 15% of the forest reserve funds for use for the improvement of educational programs for students in the county. The county superintendent of schools is required to apportion the balance of the money credited to the forest reserve account in the county school service fund to school districts and community college districts of the county lying within or adjacent to the United States forest reserve with approval of the county board of education in a manner that is required to be prescribed prior to the 30th day of June of the fiscal year next following the year in which the funds were received.

This bill would authorize the Controller during the 2006–07 fiscal year to issue loans from the General Fund to a school district, a county superintendent of schools on behalf of a school district, or a community college district that has requested that loan from the Superintendent of Public Instruction in order to provide short-term relief to the school district or community college district based on a delay in the receipt of federal forest reserve funding. *However, a school district would be prohibited from requesting a loan unless its county superintendent of schools has reviewed the request and has certified that the district is capable of repaying the loan that is sought by that district. The Superintendent of Public Instruction would be prohibited from approving a loan unless the amount of federal forest reserve funding the school district or community college district that is requesting the loan received during the 2005–06 fiscal year represents more than 5% of the budget of that district for the 2005–06 fiscal year.* The school district or community college district receiving a loan would be required to repay the loan in full, plus interest, on or before June 30, 2008.

The bill would make its provisions inoperative on, and repeal its provisions as of, January 1, 2009.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 29485 is added to the Government Code,
2 to read:

29485. (a) During the 2006–07 fiscal year, the Controller may issue loans from the General Fund to a school district, a county superintendent of schools on behalf of a school district, or a community college district that has requested that loan from the Superintendent of Public Instruction in order to provide short-term relief to the school district or community college district based on a delay in the receipt of federal forest reserve funding pursuant to Section 2300 of the Education Code.

(b) (1) A school district, a county superintendent of schools applying on behalf of a school district within its jurisdiction, or a community college district may submit a request for a loan described in subdivision (a) to the Superintendent of Public Instruction. ~~The~~ *However, a school district shall not submit a request for a loan to the Superintendent of Public Instruction unless its county superintendent of schools has reviewed the request and has certified that the school district is capable of repaying the loan that is sought by that district.*

(2) A request for a loan shall detail the amount requested and provide examples of the hardship experienced by the school district or community college district that justify the need for the short-term loan.

~~(2)~~
(3) ~~If the superintendent~~ *Superintendent of Public Instruction* approves the application for a loan, he or she shall forward the request to the Controller. *However, the Superintendent of Public Instruction shall not approve a loan unless the amount of federal forest reserve funding the school district or community college district that is requesting the loan received during the 2005–06 fiscal year represents more than 5 percent of the budget of that district for the 2005–06 fiscal year.*

(c) The amount of a loan authorized pursuant to this section shall not exceed the amount of federal forest reserve funding the school district or community college district received during the 2005–06 fiscal year.

(d) A school district or community college district receiving a loan pursuant to this section shall repay the loan in full, plus interest calculated at a rate equal to the rate earned by the Pooled Money Investment Account on the date the loan was issued, on or before June 30, 2008.

1 (e) (1) A request for a loan pursuant to this section shall be
2 made to the ~~superintendent~~ *Superintendent of Public Instruction*
3 no later than 30 days after the enactment of this section.

4 (2) The ~~superintendent~~ *Superintendent of Public Instruction*
5 shall approve or deny a loan request no later than 60 days ~~of~~ *after*
6 the enactment *of* this section.

7 (3) The Controller shall issue the loan upon receipt of the request
8 from the ~~superintendent~~ *Superintendent of Public Instruction*, but
9 shall issue a loan no later than 90 days after the enactment of this
10 section.

11 (f) This section shall remain in effect only until January 1, 2009,
12 and as of that date is repealed, unless a later enacted statute, that
13 is enacted before January 1, 2009, deletes or extends that date.

14 SEC. 2. This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or safety within
16 the meaning of Article IV of the Constitution and shall go into
17 immediate effect. The facts constituting the necessity are:

18 In order to make the necessary statutory changes to provide
19 short-term loans to school districts and community college districts
20 at the earliest possible time, it is necessary that this act take effect
21 immediately.